

**NATIONAL DAIRY MARKET AT A GLANCE**

At the Chicago Mercantile Exchange, Grade AA butter declined 11 cents to \$1.0400, Grade A decreased 13 cents to \$0.9300, and Grade B is 13 cents lower at \$0.9200. At the National Cheese Exchange in Green Bay, barrels declined 3 1/4 cents to \$1.2175 and 40# blocks decreased 3 cents to \$1.2500.

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 1997 was unchanged at 116. Compared with March 1996, the index was up 2 points (1.8%). The index of prices received by farmers for dairy products advanced 1 point during the month of March 1997 to 104. Compared with March 1996, the index was down 1 point (1.0%).

According to NASS, butter production was 105.9 million pounds in February 1997, 10% below February 1996 (7% lower on an adjusted daily average basis due to leap year) and 15% below January 1997. American type cheese production totaled 269.6 million pounds, slightly below February 1996 (adjusted, 3% higher) and 3% below January 1997. Total cheese output (excluding cottage cheese) was 576.0 million pounds, slightly below February 1996 (adjusted, 3% higher) and 3% below January 1997. Nonfat dry milk production, for human food, totaled 91.3 million pounds, 2% below February 1996 (adjusted, 2% higher) and 6% below January 1997.

On April 1, all U.S. dairy exports to Europe were halted. This is in response to unsuccessful negotiations with the European Commission (EC) and the U.S. on veterinary equivalence. The EC has chosen to require U.S. exporters to provide certification that imported dairy products comply with European requirements. Negotiations are currently taking place than may lead to an agreement on dairy products. When an agreement is achieved, U.S. companies will be able to export dairy products to Europe provided they meet certain quality standards that differ slightly from U.S. requirements.

In January 1997, mailbox milk prices reported for selected Federal milk

orders averaged \$12.97 per cwt., \$.80 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$12.73, down \$1.26; Southeast, \$14.67, down \$1.51; Midwest, \$13.00, down \$.46; and West, \$12.29, down \$.63.

Dry dairy product markets are mixed with most steady to weak, although buttermilk is firm. NDM production across the country is building as milk output increases. Buying interest has slowed due to the unsettled weakness of the cheese market. Buttermilk powder demand remains very strong for the limited volumes of available powder.

Milk production across the country continues to build seasonally in most sectors. In the Deep South, milk handlers feel that milk production has peaked and is holding steady at seasonal high levels. Elsewhere in the U.S., output continues to build on a steady basis. Some northern areas are experiencing cooler, and in instances cold temperatures, which is slowing production gains. Schools are mostly back in session and the school lunch pipelines are being filled. As production builds, diversions to local manufacturing are increasing. In some areas, local manufacturing facilities are at capacity, thus milk is moving greater distances for processing.

\*\*\*SPECIAL THIS ISSUE\*\*\*

DAIRY GRAPHS (PAGE 2)

CHEDDAR CHEESE, NDM, FLUID MILK AND BUTTER FUTURES (PAGE 7)

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)

MARCH AGRICULTURAL PRICES HIGHLIGHTS (PAGE 9)

FEBRUARY DAIRY PRODUCTS HIGHLIGHTS (PAGE 10)

MINIMUM ORDER AND ANNOUNCED COOP CLASS I PRICES (PAGE 11)

JANUARY MAILBOX MILK PRICES WITH COMPARISONS (PAGE 12)

FEDERAL MILK ORDER MIN CLASS PRICE HIGHLIGHTS (PAGES 13 - 14)

**BUTTER MARKETS****CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	:	APRIL 8	:	APRIL 10	:	APRIL 11
AA	:	\$1.1500 - 1.1600	:	\$1.1500 - 1.1600	:	\$1.1500 - 1.1600
	:	(-.0100) (-.0100)	:		:	
A	:	\$1.0600 - 1.0700	:	\$1.0600 - 1.0700	:	\$1.0600 - 1.0700
	:		:		:	

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** At the Chicago Mercantile Exchange, prices for all grades of bulk butter declined. Churning schedules across the country are increasing. Milk production is seasonally building, thus heavier volumes of milk are clearing through butter/powder plants. Overall buying interest for bulk and print butter is light and unaggressive. Most orders being placed are for short term or immediate needs. Due to the unsettledness of the market, buyers are hesitant to procure any additional butter stocks at this time. Due to lighter sales and increased production, stocks of butter are building in most areas of the U.S.

**CHICAGO MERCANTILE EXCHANGE**

Butter Transactions on **FRIDAY, APRIL 11, 1997**

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION - LST
AA	:	-.1100	:	\$1.0400 : OFFER 04/11/97
	:		:	
A	:	-.1300	:	\$0.9300 : OFFER 04/11/97
	:		:	
B	:	-.1300	:	\$0.9200 : OFFER 04/11/97

SALES: NONE

BIDS UNFILLED: 1 CAR GRADE AA @ \$1.0000

OFFERS UNCOVERED: 4 CARS GRADE AA: 3 @ \$1.0500,  
1 @ \$1.0400 (LST)  
2 CARS GRADE A: 1 @ \$0.9500,  
1 @ \$0.9300 (LST)  
1 CAR GRADE B @ \$0.9200 (LST)

**CHEESE MARKETS****WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	:	APRIL 7 - 11, 1997
BARRELS*	:	\$1.2400 - 1.2600 (NOMINAL)
	:	(-\$0.0050) (-.0100)
40# BLOCKS	:	\$1.2700 - 1.3100
	:	(-\$0.0450) (-.0350)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is weak. Prices are lower in light trading at the National Cheese Exchange. Many buyers are delaying purchases to wait for possible lower prices. Milk is moving considerable distances to find manufacturing capacity. Overall estimated U.S. American cheese production during the first 2 months of 1997 exceeds 1996 (adjusted to comparable number of days) by 11.6 million pounds (2.2%). For comparable periods, Italian cheese output in 1997 is up 13.9 million pounds (3.1%), and the total cheese volume is 29.8 million pounds (2.6%) more than last year.

**NATIONAL CHEESE EXCHANGE, INC.**

Cheese Transactions on **FRIDAY, APRIL 11, 1997**

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION
BARRELS	:	-.0325	:	\$1.2175 : OFFER 04/11/97
	:		:	
40# BLOCKS	:	-.0300	:	\$1.2500 : BID 04/11/97

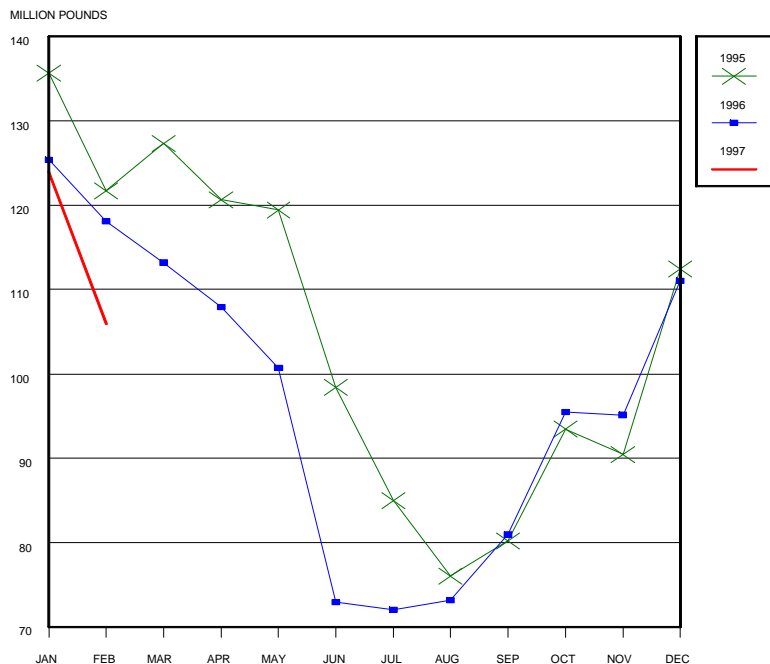
SALES ON OFFERS: 7 CARS 40# BLOCKS: 6 @ \$1.2500, 1 @ \$1.2475

SALES ON BIDS: 1 CAR 40# BLOCKS @ \$1.2475

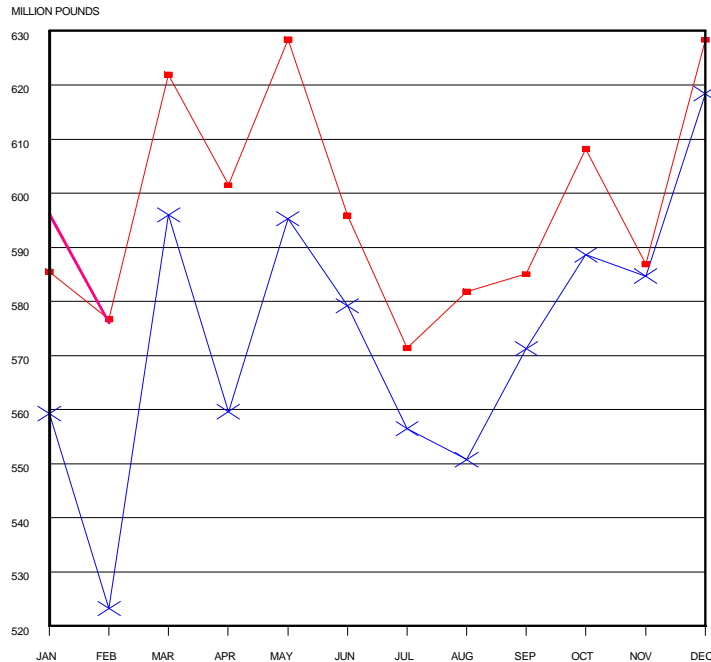
BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2500 (LST)

OFFERS UNCOVERED: 5 CARS BARRELS @ \$1.2175 (LST)  
3 CARS 40# BLOCKS @ \$1.2800

U.S. BUTTER PRODUCTION



TOTAL CHEESE PRODUCTION



NASS DATA, GRAPHS BY DAIRY MARKET NEWS

## PRINT BUTTER MARKETS - GRADE AA

## NORTHEAST

Prices are one cent lower following the April 4 trading at the Chicago Mercantile Exchange. The market tone is unsettled to weak. In the Northeast, churning activity is increasing as more surplus milk is available to local manufacturing plants. Cream volumes are up quite a bit and some butter makers have more than enough cream and are not buying too much outside cream. Bulk and print butter stocks range from balanced to increasing now that demand is slowing. Retail demand has slowed since Easter and retail chains have adjusted their orders accordingly. Producers report some accumulation of inventories and other contacts report no problem getting butter from Western producers. Food service orders are steady.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	: 1.3600-1.5875
1 LB. PRINTS	: 1.2750-1.4575
CHIPS/PATTIES	: 1.3375-1.5075
REDDIES	: 1.4125-1.6075
CONTINENTALS	: 1.4925-1.6675

## CENTRAL

Central states print butter markets are weak, with prices generally 1 cent lower following trading at the Chicago Mercantile Exchange April 4. The market undertone remains mixed as buyers and sellers are unsure of the stability of current trading levels. Stocks of butter are basically in balance for current needs, with some producers building inventories due to heavier production and lighter sales. Overall buying interest is seasonal. Most orders being placed are for short term or immediate needs. Some Midwestern buyers continue to procure additional bulk butter stocks from Western producers, although most of this buying interest is under contract. Spot buying interest continues, but is light.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	: 1.2500-1.6575
1 LB. PRINTS	: 1.2150-1.3775
CHIPS/PATTIES	: 1.2400-1.4500
REDDIES	: 1.3225-1.5600
CONTINENTALS	: 1.4800-1.6700

## WEST

Butter markets are generally weak in the Western region. Bulk sales are almost nonexistent even at deeply discounted prices. Buyers continue to wait for the possibility of lower prices and are only making purchases to replenish depleted supplies. Easter print orders are being categorized as only fair. Current production levels are higher than anticipated at most locations. Milk supplies are increasing much faster than the normal seasonal pattern. February U.S. butter production totals 105.9 million pounds, down 7% from last year on an adjusted basis. Output for selected Western states compared to last years is as follows: California down 17%, Oregon up 28%, and Washington up 4%.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.4350-1.4825
1 LB. PRINTS	: 1.3525-1.4250
PATTIES	: 1.4050-1.5725
REDDIES	: 1.5225-1.5525

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.1400-1.1800
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
04/07/97	20,398	106,680
04/01/97	18,671	105,786
CHANGE	+1,727	+ 894
% CHANGE	+ 9	+ 1

Based on the historical relationship of the preliminary U.S. Cold Storage report of Feb. 28, 1997 and the selected centers storage report, the expected U.S. holdings as of Apr. 1, 1997 are:

Butter 35 million pounds plus or minus 5.37 percent  
Cheese 398 million pounds plus or minus 0.76 percent

## CHEESE MARKETS

## NORTHEAST

Prices range from unchanged to 3.5 cents lower on natural and process items; unchanged on Swiss. The market tone is weak. Typical for this type of market condition, buyers, users, and distributors are often limiting purchases to weekly needs. Following fluid milk volumes, cheese production is increasing in the Northeast. Current cheddar stocks are quite well balanced and aged is still relatively tight. Supplies of mozzarella are ample for needs. However, with schools/colleges back in session after spring break, pizza sales are "back to normal" and clearing more mozzarella. Retail and food service orders are, at best, steady.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3550-1.7625
Cheddar Single Daisies	:	1.3250-1.7575
Cheddar 40# Block	:	1.4175-1.5675
Process 5# Loaf	:	1.4600-1.6000
Process 5# Sliced	:	1.4800-1.6250
Muenster	:	1.4600-1.9125
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

The cheese market is weak. The closing barrel sales at the National Cheese Exchange on April 4 were a .5 cent lower to \$1.2500. The Exchange block final sales were 3.5 cents lower at \$1.2800. Buying interest is slow, as buyers wait for possible further declines in prices. Current cheese offerings are more than adequate and are accumulating at many plants. For some processor/packagers, orders currently being filled are much better than recent arrivals. Cheddar interest is mostly slow for both natural and barrels. Cheese premiums are under additional pressure from both local and Western offerings. Flooding, closed roads and bridges, is a problem in parts of the upper Midwest. Milk intakes are increasing seasonally within the region. Milk increases are more pronounced in Texas and more southern parts of the region due to near ideal weather conditions. The large volumes of Southern milk available to cheese manufacturers in recent weeks, generally at below class prices, has helped exasperate the current cheese supply situation. Many cheese plants have difficulty in breaking even financially with current milk and cheese prices. Overall estimated U.S. American cheese production during the first 2 months of 1997 exceeds 1996 (adjusted to comparable number of days) by 11.6 million pounds (2.2%). For comparable periods, Italian cheese output in 1997 is up 13.9 million pounds (3.1%), and the total cheese volume is 29.8 million pounds (2.6%) more than last year.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5725-1.6525
Brick And/Or Muenster 5#	:	1.6200-1.7375
Cheddar 40# Block	:	1.5325-1.9150
Monterey Jack 10#	:	1.7325-1.9150
Blue 5#	:	1.8850-2.1500
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6550-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2375-2.4850

## WEST

Natural prices are weakening at a faster rate and process prices also continue to soften. Most contacts seem to feel that demand is quite active even with the market softness noted. Many buyers seem to have minimal stocks on hand. Processing solids manufacturers are not able to move a lot of product at this time. Many continue to hope for new feature activity from the fast food industry. Milk supplies are increasing seasonally much faster than anticipated. Plants that were eager to take additional milk a few weeks ago have no interest now and are beginning to plan for trying to handle all of their own spring flush milk. Swiss production in February totals 15.7 million pounds for the U.S., down 14% from last year on an adjusted daily basis. American cheese production is up 3% from 1996 on an adjusted basis to 269.6 million pounds. Output for selected Western states compared to last years is as follows: California up 33%, Idaho up 6%, Oregon up 10%, Utah up 9%, and Washington up 24%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4400-1.6900
Cheddar 40# Block	:	1.4625-1.7300
Cheddar 10# Cuts	:	1.6975-1.8025
Monterey Jack 10#	:	1.6475-1.7800
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5500

## FOREIGN TYPE CHEESE

Prices are unchanged on imported styles; generally 3.5 cents lower on domestic varieties. The market tone is unsettled. Demand for imported table cheeses is slow. This is often a result of seasonality and price. More foreign-type cheese is being made in the U.S. and is gaining in popularity. As of April 1, U.S. exports of dairy products to the EU have been halted. Directive 92/46 is written to harmonize health requirements for all EU member states and demands that countries importing into the EU meet those requirements. Among other things, the Directive calls for standardized sanitary certificates to accompany all dairy products coming into the EU. Negotiations between the U.S. and EU have broken down because of differences over requirements for "hygiene standards."

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6150-2.1825*
Gorgonzola	: 3.2400-5.9400	: 2.2375-2.4900*
Parmesan (Italy)	: 7.1700-8.0000	: 2.9875-3.0625*
Romano (Italy)	: 2.3900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.2875-1.7950*
Romano (Cows Milk)	: -0-	: 2.8175-3.0225*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.7200	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Following the announcement of the March BFP, Eastern Milk Market Administrators announced changes to their class prices. The March BFP is \$12.49, up 3 cents from February. In all orders in the East, May Class I & II milk prices will be up 3 cents from April. In orders 1, 2, and 4, the March Class III is down 7 cents, but up 3 cents in all other orders. The March Class III-A is \$12.73 in orders 1 & 2, \$12.75 in order 4, and \$12.78 in all other Eastern orders. The butterfat differential is \$0.110. This week, milk production ranges from lighter to increasing. The milk flow in the Deep South is reported past the peak and holding at or near those levels. Further north, milk output is still increasing slowly toward its peak. Fluid milk supplies are still heavy, but surplus volumes are lighter than last week. Bottled milk sales are rebounding from last week. Schools are mostly back in session and the school lunch pipelines are being refilled. Milk sales in New England are rebounding from the disruption caused by last week's storm. Elsewhere, bottled milk sales are reported as slow to fair. Manufacturing plants in the Northeast are taking in heavy volumes of milk and processing at or near capacity levels. In the Southeast, the steady to lighter milk output and improved sales have eased the pressure on manufacturing plants. Some operations that were running full tilt last week were down 2 - 3 days this week. The condensed skim market is mostly unchanged. However, offerings are increasing at some butter/powder plants that have been taking in extra milk. Demand is mostly steady and more condensed is being dried. The fluid cream market is weaker. Multiples/prices are often lower. Demand is just fair and those buyers who can wait to purchase are doing so. Many contacts feel that butter prices will be taking a "tumble" in the near future and basing purchasing and production decisions on that assumption. Butter makers are not anxious to buy extra cream unless lower multiples are used and they are based on the up coming butter market. Ice cream production is steady to slightly heavier as producers fill freezers ahead of anticipated warm-weather needs. Production of other Class II products have slowed since Easter demand was filled. Churning activity ranges from moderate to heavy.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.3568 - 1.5158
Delivered Equivalent Atlanta	-	1.3568 - 1.6185 M 1.3780-1.3992
F.O.B. Producing Plants: Upper Midwest	-	1.3780 - 1.5052

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.1000 - 1.1800
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## M I D W E S T

## SPOT SHIPMENTS:

## LOADS

APRIL 4 - 10, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I demand is irregular this week. While the reopening of most schools after spring break spread over the past two weeks has improved institutional sales, retail movement is lower. Offerings of surplus milk for manufacturing continue heavy, both within the region and from Southern and Eastern locations. Manufacturing milk prices are reported to be ranging from \$1.00 below to flat class price, mostly 50 to 75 cents below. A few loads of milk were cleared at under \$10 during the last few weeks but most cleared at over \$11.00. A good volume of surplus milk was still available at midweek. Manufacturing

plants continue to operate on extended schedules to clear receipts. Milk intakes/production are being affected in some northern parts of the region where flooding is causing power losses and/or closed roads. Reportedly, some farmers were forced to dump milk due to the problems. Many milk haulers are putting on extra miles/time to make pickups and deliveries due to closed roads and bridges. Milk receipts are steady to higher in southern parts of the region such as Texas where near ideal temperatures are only partially offset by heavy precipitation. Further north, temperatures moved from near 80 degrees in Wisconsin on Friday (4/4) to below zero windchills. The contrast in temperatures slowed, and in a few cases, reduced local milk receipts in more northern sections. Cream demand is steady to occasionally slower as a few buyers delay orders on the prospects of possible lower butter and/or cream prices. Most current cream prices are in the mid-130s. Ice cream production remains active in an attempt to build inventory before summer.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 3-9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 44.00	\$ 29.00- 35.00
REPLACEMENT HEIFER CALVES	\$105.00-150.00	\$105.00-150.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 3-9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 44.50	\$ 28.00- 33.50

## W E S T

The California pool price for Class 2 milk ranges from \$13.11-13.34 depending on marketing area for April and May 1997. The Class 3 prices range from \$13.06-13.07. These Class prices are 84 cents higher than the previous period. Milk supplies in California are increasing very rapidly. Some contacts feel that the flush season is about six weeks early due to the extremely good weather conditions recently after the absolutely horrendous conditions earlier in the winter. New crop hay is coming out of both the Imperial Valley and the San Joaquin Valley. The hay is of excellent quality and prices may be moving \$5-7 lower per ton than just a few weeks ago. The new hay is leading to an additional surge in milk production. A new drying facility is coming on line which is helping to handle the large supplies of milk, but milk is moving around the state to find available processing capacity. Negotiations are taking place with plants outside of California to clear additional volumes of surplus milk. Some contacts are worried about being able to handle the milk this spring in an efficient manner. Output is also rising quite rapidly in the Pacific Northwest. Conditions are wetter and colder than ideal, never the less, production is increasing seasonally. Most pastures remain too wet for efficient grazing, but they are being used. Pasture clipping and green chopping are taking place where it is feasible. Heifer and slaughter cow prices continue to increase. Intermittent snow and cold are common over the northern Mountain States region. The weather is not causing any problems with milk production. Output has increased dramatically over the past few weeks. A few weeks ago, plants were looking for and buying additional supplies of milk. Now the situation has reversed and plants are concerned about being able to handle all the milk this spring. Hay stocks are in short supply. New crop hay may be available from southern Utah in about two weeks.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/10/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are lower and the market tone is weaker. Declining prices in the West and from resellers are limited producers' sales in the Central region. Buyers are reluctant to make purchases beyond immediate needs in a declining market. Production is trending higher as some milk is being pulled from cheese plants and the use of condensed skim is lower. U.S. production of human food NDM during February totaled 91.3 million pounds, 2% less (unadjusted) than last year and 6% lower than last month. (MN and WI production during February totaled 1,965,000 pounds.) Manufacturers' stocks at the end of February totaled 71.2 million pounds, 11% lower than last year and 5% less than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: .11300 - .11650 MOSTLY: .11350 - .11450

**DRY BUTTERMILK - CENTRAL**

Buttermilk prices are higher on the top end of the range. The market tone is unsettled to firm. Several producers continue to ask for and receive higher prices for current production. Resellers and others have powder and are offering at prices toward the middle to lower part of the range. Producers' stocks are most often light and held with confidence. During February, dry buttermilk production totaled 4.6 million pounds, down 18% (unadjusted) from last year and 16% lower than January. End-of-month stocks totaled 2.3 million pounds, down 49% from last year and 7% less than last month.

BUTTERMILK: 1.0400 - 1.1600

**DRY WHEY - CENTRAL**

Whey prices are sharply lower in sporadic trading. The market tone remains weak. Producers are offering whey for set prices, but most are open for bids. Better deals are often found in the resale trade as resellers are attempting to stay current and move their contract loads at discounts. Buyers are in the market only for current needs or if they can snag a multiple load deal at bargain basement prices. Most producers in the region have extra whey to offer. Production levels vary. Higher milk production in locations is often offset by producers trying to lower cheese production in an unsettled cheese market. Whey stocks are in excess of current needs. U.S. production of human food whey during February totaled 81.2 million pounds, 8% lower (unadjusted) than last year and 7% less than last month. End-of-February stocks, at 28.7 million pounds, are 16% less than last year and 2% below January.

NONHYGROSCOPIC: .1700 - .2125 MOSTLY: .1850 - .1925

**ANIMAL FEED WHEY - CENTRAL**

All animal feed whey prices are lower. The market tone is weak. Edible whey prices are often below animal feed, forcing prices lower to secure sales. Buyer interest is light. Finished feed sales remain flat to weaker. Delactose stocks are increasing and sales are slow. February U.S. animal feed, dry whey production totaled 5.1 million pounds, 8% less (unadjusted) than last year but 5% higher than January. Month-ending stocks were 3.7 million pounds, 25% less than last year but 13% more than last month. Animal feed, reduced lactose and minerals whey production during February totaled 2.3 million pounds, 16% more (unadjusted) than last year. All stocks (animal and human), at 7.0 million pounds, were 33% lower than last year.

MILK REPLACER: .1600 - .1825  
STANDARD: .1500 - .1700  
ROLLER GROUND: .2050 - .2150  
DELACTOSE (Min. 20% protein): .3400 - .3700

**LACTOSE - CENTRAL AND WEST**

Lactose prices are mostly steady, but higher on both ends. The market tone remains firm. Demand remains fair to good. Export interest is good and clearing additional offerings. Spot sales are light and demand continues to go unfilled. Feed usage is limited to deals on long term contracts as prices have gone too high to use in formulations. Production continues to trend higher. U.S. lactose production during February totaled 34.8 million pounds, up 31% (unadjusted) from last year and 11% higher than January. End-of-February stocks, at 17.4 million pounds, are 2% lower than last year but 3% more than last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2300 - .2900 MOSTLY: .2500 - .2700

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are lower and the market tone is weak. Trading levels are light to moderate. As in the past, some producers with contracted volumes are in good shape, while others are struggling to keep current. Additionally, resellers with contracted volumes are finding it difficult to move their loads. WPC is available from a variety of sources. Demand is fair. Producers' stocks range from light to moderate. U.S. production of human food WPC during February totaled 24.3 million pounds, a 79% increase (unadjusted) from last year and 1% higher than last month. Manufacturers' stocks at the end of February totaled 7.1 million pounds, 2% less than last year and 16% lower than January.

EXTRA GRADE 34% PROTEIN: .5800 - .6250 MOSTLY: .6000 - .6100

**NONFAT DRY MILK - WEST**

High heat powder remains short of full trade needs. Prices are increasing to ration available supplies. Many operations are not able to make as much high heat as they would like because they need to run more condensed through their dryers to handle the very heavy supplies of milk. Low/medium heat prices are declining at a more rapid pace. One of the major reasons for the slow down is that cheese plants are not interested in buying much additional powder to add to cheese vats when their market is showing continued signs of weakness. Stocks are building quite rapidly and producers are cutting prices or scrambling for additional DEIP sales to move powder. February NDM production in the U.S. totals 91.3 million pounds, up 2% from the adjusted volume for last year. Stocks at the end of the month stand at 71.2 million pounds, down 11% from February 1996.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0900 - 1.1300 MOSTLY: 1.1000 - 1.1100  
HIGH HEAT: 1.1300 - 1.1800

**DRY BUTTERMILK - WEST**

Buttermilk powder prices in the Western region continue to increase quite rapidly. Some buyers are expressing some reservations about the strengthening market, but others are just happy to get the powder. Condensed buttermilk sales are holding steady, but they are expected to increase soon as more ice cream sales occur. Buttermilk production ranges from steady to a slight increase. Buttermilk powder production in the U.S. for February totals 4.6 million pounds, down 14% from last year on an adjusted basis. Stocks at the end of the month are 2.3 million pounds, down 49% from February 1996.

BUTTERMILK: 1.0800 - 1.2000 MOSTLY: 1.0900 - 1.1100

**DRY WHEY - WEST**

Western whey prices range from steady to fractionally lower. Export demand remains fair to good. Domestic interest is slower to clear offerings. Offerings are increasing as the milk flow begins its seasonal increase. Stocks are beginning to build at some locations. A weakening undertone is beginning to develop. U.S. edible whey production in February totals 81.2 million pounds, down 4% from last year on an adjusted basis. Stocks at the end of the month are at 28.7 million pounds, down 16% from February 1996.

NONHYGROSCOPIC: .1950 - .2200 MOSTLY: .2000 - .2050

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 04, on powder sales of 10,664,114 pounds f.o.b. California manufacturing plants was \$1.1167 per pound. This compares to 9,009,944 pounds at \$1.1155 for the previous week ending March 28, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady to lower and the market tone is weaker. Production levels are increasing as more surplus milk is available. Many loads of surplus milk are moving north from Southern handlers for processing. This increased output is causing stocks to build and some processors have lowered prices to keep powder moving. This is having a market-wide effect as buyers show more price resistance to higher priced offers. There are more volume deals being offered, but many spot buyers are in a wait and see posture. Producers that can, have switched to making only high heat powder which is in tighter supply and better demand than low heat. Producer stocks are fully adequate for the current slow to fair demand. As prices seem to be weakening all across the country, some resellers are getting nervous and are more aggressively trying to clear their stocks. Production of human food, nonfat dry milk during February 1997 totaled 91.3 million pounds, down 2% (unadjusted) from February 1996 and 6% less than January 1997. Month ending stocks, at 71.2 million pounds, are 11% below a year ago and 5% less than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1300 - 1.1900
DELVD SOUTHEAST:	1.1550 - 1.1850

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady in the Northeast; higher delivered to Southern buyers. The market tone remains firm, but churning activity is increasing at most butter/powder plants. Plant stocks are closely balanced and few producers have powder on hand for immediate sale. Demand is good and readily clears most offerings. Competitively priced resales are still common. Dry buttermilk production during February 1997 totaled 4.6 million pounds, down 18% (unadjusted) from February 1996 and 16% less than January 1997. Month ending stocks, at 2.3 million pounds, are 49% less than a year ago and 7% below last month.

F.O.B. NORTHEAST:	1.0600 - 1.1200
DELVD SOUTHEAST:	1.0900 - 1.1950

**DRY WHOLE MILK - NATIONAL**

Prices are steady to lower within the range. With virtually (three cents) no change in the March BFP, whole milk producers left prices where they were. Some producers are getting more milk which is slowing dry whole milk output. Plant stocks are well balanced for the slow to fair demand. Dry whole milk production during February 1997 totaled 10.0 million pounds, down 15% (unadjusted) from February 1996 and 1% less than January 1997. Month ending stocks, at 4.8 million pounds, are 44% below a year ago and 39% less than last month.

F.O.B. PRODUCING PLANT:	1.2500 - 1.3100
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**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1996 THROUGH APRIL 4, 1997

WITH CHANGES FROM PREVIOUS REPORT

THIS IS A TWO WEEK CHANGE. IN LAST WEEK'S REPORT, THE MARCH 21 SUMMARY WAS REPRINTED BY MISTAKE.

NONFAT DRY MILK	--	28,294	MT (62,376,952 LBS)
CHANGE	--	1,300	MT (2,865,980 LBS)
WHOLE MILK POWDER	--	1,492	MT (3,289,263 LBS)
CHANGE	--	16	MT (35,274 LBS)
CHEESE	--	1,384	MT (3,051,166 LBS)
CHANGE	--	22	MT (48,501 LBS)
BUTTERFAT	--	853	MT (1,880,524 LBS)
CHANGE	--	24	MT (52,910 LBS)

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are generally lower as the market tone is weakening. Production levels are increasing as more milk is available to most cheese makers. Producers' stocks range from closely balanced to more than ample. Most dryers have powder on hand for immediate shipment. Some are requesting bids from buyers which usually means they have much too much powder on hand. With prices dropping as rapidly as they are, buyers have "stepped out of the market" to see where the market/prices will settle out. Some spot buyers are taking only LTL quantities. Export interest is slow even at the lower prices. The strong U.S. dollar is hurting the export side of the market. Production of human food, dry whey during February totaled 81.2 million pounds, 8% less (unadjusted) than February 1996 and down 7% from January 1997. Month ending stocks, at 28.7 million pounds, are 16% below a year ago and 2% less than last month.

F.O.B. NORTHEAST:	EXTRA GRADE	.1800 - .2075
	USPH GRADE A	.1875 - .2075
DELVD SOUTHEAST:		.1875 - .2325

**ANIMAL FEED WHEY - NORTHEAST**

Prices continue to be too few to report and the market tone is weak. Offerings of Extra Grade powder are growing and more than ample to meet animal feed makers' needs. There have been unconfirmed reports of "animal feed" powder selling below 17 cents. Buyers are starting to show more interest, but many are still waiting.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
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**EVAPORATED MILK - NATIONAL**

Prices are mostly unchanged. The three-cent change in March's BFP had virtually no effect on evaporated milk prices. Production is steady to heavier now that surplus milk volumes are increasing in more regions of the country. Demand is slow to fair and typical for this time of year. Because of the slightly slower demand and increased output, plant stocks are being replenished. Canned evaporated milk production during February 1997 totaled 31.5 million pounds, up 1% (unadjusted) from February 1996 but 7% less than January 1997. Month ending stocks, at 21.9 million pounds, are 44% less than a year ago but 7% more than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES	\$22.50 - 33.00
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Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Pricing levels for both types have moderated following the start of second quarter pricing structures. The market tone remains steadier for rennet. Acid casein is a little more unsettled, but interest is occasionally higher as the year progresses. Lower quality and industrial casein offerings are trending lower, forcing those buyers to look towards edible sources to secure product. Offerings are available from most suppliers.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.2000 - 2.4200
ACID:	2.0800 - 2.2000

## COFFEE, SUGAR, &amp; COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	03/27	03/28	03/31	04/01	04/02	04/03	04/04	04/07	04/08	04/09
<b>CSCE CHEDDAR CHEESE</b> -- Cents per pound										
APR 97	130.50 (16) 0	NO TRADING	127.00 (15) 4	126.50(16) 0	127.00 (15) 3	127.00 (12) 0	123.00 (12) 0	120.50 (12) 4	123.50 (12) 0	123.50 (12) 0
JUNE 97	131.00 (12) 0		129.00 (13) 1	128.80 (14) 1	126.40 (14) 0	124.80 (14) 0	128.90 (14) 0	125.30 (17) 5	125.30 (17) 0	124.80 (17) 0
AUG 97	134.50 (0) 0		132.50 (0) 0	132.50 (4) 4	133.50 (4) 0	131.90 (4) 0	135.00 (4) 0	133.50 (4) 0	133.50 (4) 0	133.00 (4) 0
<b>CSCE - NONFAT DRY MILK</b> -- Cents per pound										
APR 97	115.00 (52) 0	NO TRADING	115.00 (52) 0	112.50 (52) 0	110.50 (52) 0	110.50 (52) 0	112.50 (52) 0	113.50 (52) 0	112.50 (52) 0	110.80 (52) 0
JUN 97	117.50 (28) 0		117.50 (28) 0	115.00 (28) 0	112.50(28) 4	112.50 (28) 0	114.00 (28) 0	115.00 (28) 0	114.00 (28) 0	113.00 (28) 0
<b>CSCE - FLUID MILK</b> -- Dollars per cwt.										
APR 97	13.40 (58) 7	NO TRADING	13.30 (54) 3	13.13 (51) 8	13.18 (43) 1	13.05 (43) 0	13.05 (49) 12	12.98 (70) 11	12.85 (61) 5	12.70 (66) 7
JUN 97	13.75 (41) 0		13.25 (41) 0	13.35 (38) 5	13.25 (40) 4	13.15 (40) 0	12.93 (40) 3	13.05(40) 0	13.05 (40) 0	12.80 (39) 2
AUG 97	15.17 (37) 0		14.90 (37) 0	14.90 (35) 6	15.05 (37) 7	15.03 (34) 0	14.80 (34) 0	14.82 (34) 2	14.88 (36) 0	14.58 (37) 5
<b>CSCE - BUTTER</b> - Cents per lb.										
APR 97	110.00 (54) 0	NO TRADING	107.30 (54) 0	109.70 (54) 0	108.10 (54) 0	108.40 (54) 0	104.50 (54) 0	104.50 (54) 0	104.50 (40) 14	104.50 (40) 0
JUN 97	114.00 (10) 0		111.30 (10) 22	110.30 (30) 4	108.70 (34) 0	109.00 (34) 0	106.50 (34) 0	109.00 (34) 0	109.00 (46) 14	109.00 (46) 0
AUG 97	117.50 (29) 0		114.80 (27) 2	113.80 (29) 0	112.20 (29) 2	112.50 (32) 8	112.50 (32) 0	115.00 (32) 0	115.00 (32) 0	114.50 (32) 0
<b>CSCE - BFP</b> -- Dollars per cwt.										
JUN 97							1ST DAY OF TRADING		12.10 (0) 0	12.08 (9) 19
AUG 97									12.68 (0) 0	12.63 (17) 34
OCT 97									12.60 (0) 0	12.55 (14) 39
<b>CME - FLUID MILK</b> -- Dollars per cwt.										
APR 97	13.500 (2) 2	NO TRADING	13.400 (2) 0	13.400 (2) 0	13.300 (1) 0	13.300 (1) 0	13.300 (1) 0	13.300 (1) 0	13.100 (1) 0	13.100 (1) 0
<b>CME - BUTTER</b> -- Cents per pound										
APR 97	115.000 (16) 1	NO TRADING	114.000 (16) 0	112.500 (16) 0	110.000 (15) 0	110.000 (15) 2	110.000 (14) 1	110.500 (11) 3	110.500 (10) 2	109.750 (4) 6
JUN 97	117.750 (9) 2		116.500 (9) 0	115.000 (9) 0	112.750 (9) 0	112.750 (9) 0	112.750 (9) 0	113.000 (11) 3	113.000 (11) 1	112.500 (11) 0
JLY 97	118.750 (49) 0		116.750 (48) 1	115.000 (46) 2	113.000 (43) 4	113.000 (43) 1	113.750 (43) 0	114.500 (43) 2	114.500 (45) 4	113.500 (45) 0

1/ Open interest for NDM and cheddar -- 4 contracts equal 40,000 pounds. Open interest for fluid milk (at both exchanges) -- 1 contract equals 50,000 pounds. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's automated hotline at 212-938-2847, or the CME at 312-930-8282.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered March 31 - April 11, 1997

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** A new milk quota year has started and the impact is mixed. Most often, the surge of milk onto the market after April 1 was not very heavy, although some producers did realize an increase. Most handlers are stating that it will be a few more weeks before noticeable increases. As of April 1, following the non agreement between the European Union and the United States on veterinary equivalence, all U.S. dairy exports to Europe have been halted. European traders are very aware of the situation, but have limited comments on the subject. Overall milk production patterns throughout Western Europe are seasonally increasing. A stronger U.S. dollar continues to affect European prices. Contractual commitments continue to clear product from Europe, although overall trading activity is quiet.

**BUTTER/BUTTEROIL:** Overall market conditions for butter are on the verge of weakening. Up to this point, prices have been steady, although now, as seasonal milk production increases, most traders feel that prices will decline and stocks will increase. Many feel that private stocks will build slowly and will not increase to the point that large volumes will need to clear to intervention soon. Butter continues to move to Russia, but most of this activity is occurring from previous sales that now is being shipped. Traders anticipate very little, if any, new Russian business at this time as their production season is also about to resume.

82% BUTTERFAT:	1,475 - 1,750
99% BUTTERFAT:	1,900 - 2,000

**SKIM MILK POWDER (SMP):** Skim powder markets are mixed with prices unchanged to lower. Stocks of edible powder range from fully committed to available for sale. Currently, most buyer interest is from internal markets. Buyer interest from Mexico is starting to develop. At this time, desired volumes are not fully known. The animal feed market is receiving more trading attention than the edible market. At this time, feed stocks are building and prices are depressed and declining.

1.25% BUTTERFAT:	1,700 - 1,800
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**WHOLE MILK POWDER (WMP):** As in other manufactured dairy products, inventories are nearing seasonal lows. Whole milk powder continues to clear to Algeria and other markets. Stocks of powder are sufficient for this commitment, but generally very limited for any additional sales. Most traders are aware of the current supply situation and are holding off developing new markets until the new production season resumes.

26% BUTTERFAT:	1,750 - 1,850
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**SWEET WHEY POWDER:** Whey markets are inactive with prices unchanged to generally lower. Stocks are low. As milk production increases seasonally, cheese output will improve, thus whey will become more available. Traders anticipate buyer interest to resume once powder becomes more available. Although no sales have been put together yet, some of this improved buyer interest is starting to develop.

NONHYGROSCOPIC:	425 - 525
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**EASTERN EUROPE:** Spring like weather conditions in Eastern Europe are running 2 - 3 weeks behind Western areas, thus a noticeable start of the spring flush is also delayed. As in Western Europe, sales activity is mainly limited to previous sales. Stocks of manufactured dairy products are quite low, thus most new business is being postponed until milk production increases and new products become available.

## OCEANIA

**OVERVIEW:** Late season moisture conditions throughout this region are a common topic for discussion. In many areas, due to lighter rainfall, year end production patterns are declining at a faster pace than previously anticipated. Although some areas are receiving late season rainfall, many annual production figures are being adjusted lower. Trading activity in this part of the world continues at a normal pace with very little new sales developing. Stocks of manufactured dairy products are in good balance for most trading needs. Many producers are comfortable with their inventory levels and are able to see that they can cover contractual commitments. Although new sales are limited, producers are closely monitoring inventory levels before entering into new sales commitments at this time.

**BUTTER:** No major changes have occurred in the Oceania butter markets. Spot trading interest has slowed greatly with most activity centering around previously made contractual commitments. As the milk production season nears a seasonal end and butter production also declines, butter producers are comfortable with inventory levels. Most handlers are entering the winter months with sufficient volumes to meet contractual needs and adequate volumes for possible spot interest.

82% BUTTERFAT:	1,400 - 1,450
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**CHEDDAR CHEESE:** Cheese markets are basically unchanged from recent weeks, although prices are steady to slightly higher at the lower end of the reported range. The market tone is steady. No new spot buying interest is developing at this time with most interest centering within previously established markets.

39% MAXIMUM MOISTURE:	2,150 - 2,300
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**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to weaker as prices decline. As in other manufactured dairy product markets, stocks are sufficient for contractual commitments. Most handlers are closely monitoring inventory levels before entering into any new commitments. Traders are expecting renewed buyer interest from Mexico for the third quarter in the near future.

1.25% BUTTERFAT:	1,750 - 1,850
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to weaker. Production schedules remain active although they are declining as seasonal milk volumes edge lower. Current and previous production is providing comfortable inventory levels as the winter season nears. Spot buying interest is quiet with most activity centering around previous sales.

26% BUTTERFAT:	1,800 - 1,850
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Exchange rates for selected foreign currencies: April 7, 1997

.5192 Dutch Guilder	.5838 German Mark
.1735 French Franc	.6894 New Zealand Dollar
.1267 Mexican Peso	.7764 Australian Dollar
1.6277 British Pound	.0080 Japanese Yen
.3225 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1267) = 7.8927$ . That is 1 US Dollar equals 7.8927 Mexican Pesos.

Source: *Wall Street Journal*



## MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 1997 was unchanged at 116. Compared with March 1996, the index was up 2 points (1.8 percent). The index of prices received by farmers for dairy products advanced 1 point during the month of March 1997 to 104. Compared with March 1996, the index was down 1 point (1.0 percent).

On a 3.5 percent butterfat basis, prices received by farmers in March with changes from February were: for All Milk, \$13.37 per hundredweight (cwt.), up 11 cents; for Fluid Grade Milk, \$13.38 per cwt., up 11 cents; and for Manufacturing Grade Milk, \$12.02 per cwt., down 1 cent.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MARCH 1997 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	1997 <u>2/</u>	1996 <u>2/</u>	1997 <u>4/</u>	1996 <u>2/</u>	1997	1996	1997 <u>7/</u>	1996 <u>8/</u>	1997	1996
CA	12.51	12.37	12.37	12.10	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		33.00	30.00	131.00	103.00
IA	12.51	13.02	12.61	13.02			40.90	32.20	110.00	84.00
MI	13.37	13.83	13.38	13.75			36.20	32.40	123.00	69.00
MN	13.14	13.59	12.99	13.63			36.00	31.50	97.00	76.00
NY	12.99	13.76	13.37	13.76			---	---	95.00	95.00
OH	12.92	13.89	13.13	13.72			34.00	29.50	157.00	81.00
PA	13.68	14.52	13.58	14.24			35.30	31.70	120.00	99.00
TX	13.76	13.91	13.40	13.64			36.40	29.20	80.00	76.00
WA	12.99	13.17	13.41	13.02			---	---	120.00	96.00
WI	13.38	13.64	13.53	13.74			38.00	33.10	95.00	69.00
U.S.	13.26	13.65	13.37	13.57			36.50	31.40	108.00	83.40

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling, and Government withholding; but including bulk-tank, quantity, or other premiums, excluding hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Average prices received by farmers. Includes cull dairy cows and beef cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., MARCH 1997 WITH COMPARISONS 1/

ITEM		MARCH 1996	FEBRUARY 1997 <u>2/</u>	MARCH 1997 <u>3/</u>
<b>PRICES</b> (converted to 3.5 percent butterfat) received by farmers for:				
All milk	Dol. per cwt.	13.57	13.26	13.37
Fluid grade milk	Dol. per cwt.	13.57	13.27	13.38
Manufacturing grade milk	Dol. per cwt.	12.39	12.03	12.02
<b>INDEX NUMBERS</b> for:				
Prices received by farmers for dairy products (1990-92 = 100)	Index	105	103	104
Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100)	Index	114	116	116
<b>PARITY PRICE</b> for all milk	Dol. per cwt.	28.40	29.40	29.30
<b>PARITY EQUIVALENT</b> price for manufacturing grade milk	Dol. per cwt.	25.96	26.70	26.60
<b>MILK FEED PRICE RATIO:</b> Pounds of concentrate ration fed to milk cows equal in value to one pound of milk <u>4/</u>		1.61	1.54	1.55

1/ Parity prices are based on data for the current month. Parity price equivalent during 1997 is 90.8% of the parity price of all milk sold to plants, compared with 91.4% in 1996. 2/ Partially revised. 3/ Preliminary. 4/ Computed by Dairy Division, AMS, USDA; based on concentrate ration value as reported quarterly in "Milk Production", NASS, USDA.

**SOURCE:** "Agricultural Prices," Pr 1 (3/97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEBRUARY 1997 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 105.9 million pounds in February, 10 percent below February 1996 and 15 percent below January 1997. **AMERICAN TYPE CHEESE** production totaled 269.6 million pounds, slightly below February 1996 and 3 percent below January 1997. **TOTAL CHEESE** output (excluding cottage cheese) was 576.0 million pounds, slightly below February 1996 and 3 percent below January 1997. **NONFAT DRY MILK** production, for human food, totaled 91.3 million pounds, 2 percent below February 1996 and 6 percent below January 1997. **DRY WHEY** production, for human food, was 81.2 million pounds, 8 percent below February 1996 and 7 percent below January 1997. **ICE CREAM** (hard) production totaled 63.3 million gallons, 4 percent above February 1996 and 8 percent above January 1997.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT	PRODUCT	FEB 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT
	1,000 LBS.	FEB 1996	JAN 1997			1,000 LBS.	FEB 1996	JAN 1997	
BUTTER	105,923	90	85	94	DRY BUTTERMILK	4,607	82	84	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	127,001	116	93	---
AMERICAN TYPES 2/	* 269,616	100	97	100	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	210,379	---	97	---	SWEET-TYPE, HUMAN FOOD	8,357	118	122	---
SWISS	15,705	83	91	---	SWEET-TYPE, ANIMAL FEED	2,117	84	101	---
BRICK & MUENSTER	7,531	82	91	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	40,438	107	98	---	DRY WHEY, HUMAN FOOD	81,240	92	93	---
BLUE	3,290	119	102	---	DRY WHEY, ANIMAL FEED	5,113	92	105	---
HISPANIC	5,838	---	111	---	TOTAL DRY WHEY 9/	86,353	92	93	98
MOZZARELLA	183,476	100	98	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	34,763	131	111	---
OTHER ITALIAN TYPES	42,629	104	92	---	WHEY PROTEIN CONCENTRATE				
TOTAL ITALIAN TYPES	226,105	101	97	101	HUMAN FOOD	24,310	179	101	---
ALL OTHER TYPES 3/	7,514	61	93	---	ANIMAL FEED	2,669	103	101	---
TOTAL	576,037	100	97	101	FROZEN PRODUCTS		1,000 GALLONS		PERCENT
COTTAGE CHEESE, CURD 4/	35,467	98	98	---	ICE CREAM (HARD)	63,323	104	108	106
COTTAGE CHEESE, CREAMED 5/	27,807	94	97	95	ICE CREAM, LOWFAT (HARD)	8,226	111	99	---
COTTAGE CHEESE, LOWFAT 6/	26,731	102	100	104	ICE CREAM, LOWFAT (SOFT)	15,155	110	102	---
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (TOTAL)	23,381	110	101	112
WHOLE MILK	31,509	101	93	---	SHERBET (HARD)	3,607	101	108	99
DRY WHOLE MILK	10,048	85	99	---	YOGURT	8,034	86	124	87
NONFAT DRY MILK, HUMAN FOOD	7/ 91,327	98	94	98					
DRY SKIM MILK FOR ANIMAL FEED	342	89	63	---					

1/ 1997 cumulative as percent of 1996 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include Part Skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 1,965,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Excludes all modified dry whey products. 10/ Stocks held by manufacturers at all points and in transit. 11/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 121,254,000 lbs.

**SOURCE:** "Dairy Products," Da 2-6 (4-97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES 1/												
CITY	APR 1995			APR 1996			MAR 1997			APR 1997		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
	Dollars Per Hundredweight											
Atlanta, GA	14.87	14.87	0.00	15.67	16.02	0.35	15.02	16.53	1.51	15.54	16.39	0.85
Baltimore, MD	14.82	15.77	0.95	15.62	16.37	0.75	14.97	16.02	1.05	15.49	16.54	1.05
Boston, MA	15.03	15.76	0.73	15.83	16.56	0.73	15.18	16.31	1.13	15.70	16.83	1.13
Carbondale, IL **	13.80	14.76	0.96	14.60	15.85	1.25	13.95	16.07	2.12	14.47	16.59	2.12
Charlotte, NC	14.87	15.17	0.30	15.67	16.32	0.65	15.02	17.26	2.24	15.54	16.85	1.31
Chicago, IL	12.75	14.67	1.92	14.13	15.74	1.61	13.34	15.32	1.98	13.86	16.04	2.18
Cincinnati, OH	13.46	14.01	0.55	14.84	15.44	0.60	14.05	15.55	1.50	14.57	15.92	1.35
Cleveland, OH	13.35	13.82	0.47	14.73	15.25	0.52	13.94	15.24	1.30	14.46	15.66	1.20
Dallas, TX	14.51	14.71	0.20	15.89	16.09	0.20	15.10	15.66	0.56	15.62	15.87	0.25
Denver, CO	14.08	14.79	0.71	15.46	16.17	0.71	14.67	14.82	0.15	15.19	15.34	0.15
Des Moines, IA	12.90	13.50	0.60	14.28	15.28	1.00	13.49	15.01	1.52	14.01	15.53	1.52
Detroit, MI	13.20	14.13	0.93	14.58	15.41	0.83	13.79	14.72	0.93	14.31	15.32	1.01
Hartford, CT	14.49	15.22	0.73	15.87	16.60	0.73	15.08	16.21	1.13	15.60	16.73	1.13
Houston, TX	15.05	15.25	0.20	16.43	16.63	0.20	15.64	16.20	0.56	16.16	16.41	0.25
Indianapolis, IN	13.25	14.28	1.03	14.63	15.66	1.03	13.84	15.56*	1.72*	14.36	16.08	1.72
Kansas City, MO	13.27	13.67	0.40	14.65	15.58	0.93	13.86	15.33	1.47	14.38	15.85	1.47
Little Rock, AR	14.12	14.29	0.17	15.50	15.50	0.00	14.71	15.36	0.65	15.23	15.48	0.25
Louisville, KY	13.46	13.86	0.40	14.84	15.34	0.50	14.05	15.30	1.25	14.57	15.82	1.25
Miami, FL	15.53	16.48	0.95	16.91	18.39	1.48	16.12	18.96	2.84	16.64	18.96	2.32
Milwaukee, WI	12.66	14.58	1.92	14.04	15.65	1.61	13.25	15.23	1.98	13.77	15.95	2.18
Minneapolis, MN	12.55	13.15	0.60	13.93	14.86	0.93	13.14	14.63	1.49	13.66	15.15	1.49
New Orleans, LA	15.20	15.20	0.00	16.38	16.53	0.15	15.59	16.48	0.89	16.11	16.56	0.45
Oklahoma City, OK	14.12	14.29	0.17	15.50	15.67	0.17	14.71	15.60	0.89	15.23	15.48	0.25
Omaha, NE	13.10	13.70	0.60	14.48	15.41	0.93	13.69	15.16	1.47	14.21	15.68	1.47
Philadelphia, PA	14.44	15.44	1.00	15.82	16.52	0.70	15.03	16.03	1.00	15.55	16.55	1.00
Phoenix, AZ	13.87	13.87	0.00	15.25	15.25	0.00	14.46	14.46	0.00	14.98	14.98	0.00
Pittsburgh, PA	13.35	14.30	0.95	14.73	15.23	0.50	13.94	14.74	0.80	14.46	15.26	0.80
St. Louis, MO **	13.36	14.32	0.96	14.74	15.85	1.11	13.95	16.07	2.12	14.47	16.59	2.12
Salt Lake City, UT	13.25	13.40	0.15	14.63	14.78	0.15	13.84	13.99	0.15	14.36	14.51	0.15
Seattle, WA	13.25	13.70	0.45	14.63	15.08	0.45	13.84	14.14	0.30	14.36	14.66	0.30
Spokane, WA	13.25	13.70	0.45	14.63	15.08	0.45	13.84	14.14	0.30	14.36	14.66	0.30
Springfield, MO	13.54	13.94	0.40	14.92	15.32	0.40	14.13	15.08	0.95	14.65	15.60	0.95
Washington, DC	14.38	15.33	0.95	15.76	16.51	0.75	14.97	16.02	1.05	15.49	16.54	1.05
Simple Average	13.73	14.36	0.63	15.16	15.83	0.67	14.37	15.55*	1.18*	14.89	15.95	1.06

\* Revised

\*\*Current month price is estimated.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,  
JANUARY 1997, WITH COMPARISONS\***

In January 1997, mailbox milk prices reported for selected Federal milk orders averaged \$12.97 per cwt., \$.80 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$12.73, down \$1.26; Southeast, \$14.67, down \$1.51; Midwest, \$13.00, down \$.46; and West, \$12.29, down \$.63. Compared to January 1996, mailbox milk prices decreased \$.54 per cwt. on the average. Regional changes from the previous year were: -\$.73 in the Northeast, +\$.03 in the Southeast, -\$.60 in the Midwest, and -\$.51 in the West.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	January 1996	December 1996	January 1997
	<u>Dollars per hundredweight</u>		
New England	13.38	14.12	13.03
New York-New Jersey	13.44	13.75**	12.57
Middle Atlantic	13.57	14.30	12.75
Northeast Average <u>3/</u>	13.46	13.99**	12.73
Carolina	14.76	16.36	14.96
Tennessee Valley	14.24	15.28	14.21
Southeast	13.99	15.13	13.85
Florida <u>4/</u>	15.93	18.39	16.04
Southeast Average <u>3/</u>	14.64	16.18	14.67
Southern Michigan	13.50	14.08	13.05
Eastern Ohio-Western Pa.	13.72	14.22	12.87
Ohio Valley	13.75	14.77	13.02
Indiana	13.66	14.54	13.03
Chicago Regional	13.69	13.08	13.21
S. Illinois-E. Missouri	13.08	14.14	12.54
Louis.-Lex.-Evans.	13.78	15.18	13.28
Upper Midwest	13.62	12.85	12.88
Nebraska-Western Iowa	13.09	13.26	12.67
Iowa	13.44	13.12	12.84
Midwest Average <u>3/</u>	13.60	13.46	13.00
Texas	13.27	13.85	12.98
Southwest Plains	12.97	13.30	12.37
Eastern Colorado	13.32	13.12	12.18
S.W. Idaho-E. Oregon	12.62	11.71	11.92
Great Basin	12.67	12.33	11.58
New Mexico-West Texas	11.93	12.00	12.15
Pacific Northwest	12.43	12.91	12.04
West Average <u>3/</u>	12.80	12.92	12.29
All-Market Average <u>3/</u>	13.51	13.77**	12.97

\* For a description of this data series, see "Dairy Market News" Vol.62 Rpt. 23.

\*\* Revised.

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 4/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

## FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for March 1997 is \$12.49 per hundredweight at 3.5 percent butterfat. The March Basic Formula Price is the February base month Minnesota-Wisconsin (M-W) price of \$12.36 at 3.5 percent plus a change of \$0.13, which is the change in the butter/powder/cheese formula from February 1997 to March 1997. The March 1997 Basic Formula Price is \$0.03 more than last month and \$0.21 less than the March 1996 Basic Formula Price. This Basic Formula Price is the Class III price for March 1997 and is to be used in May 1997 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 11.0 cents. **MILK COMPONENT CONTENTS.** For the February 1997 base month M-W price, the butterfat content was 3.88 percent, protein 3.25 percent, and solids-not-fat 8.64 percent. For the March 1997 Basic Formula Price, the butterfat content was 3.87 percent, protein 3.23 percent, and solids-not-fat 8.63 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MARCH								APRIL			MAY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1997	1997
		DOLLARS								DOLLARS				
New England (Boston)	1 3/	15.18	15.97	12.24	13.03	12.44	12.65	12.73	10.27	15.70	15.83	12.76	15.73	12.79
New York/New Jersey (NY City)	2 4/	15.08	15.87	12.32	13.11	12.52	12.73	12.81	10.35	15.60	15.73	12.84	15.63	12.87
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 5/	14.97	15.76	12.24	13.03	12.46	12.67	12.75	10.29	15.49	15.62	12.76	15.52	12.79
Carolina (Charlotte)	5	15.02	15.81	12.24	13.03	12.49	12.70	12.78	10.32	15.54	15.67	12.76	15.57	12.79
Tennessee Valley (Knox/Chat)	11	14.71	15.50	12.24	13.03	12.49	12.70	12.78	10.32	15.23	15.36	12.76	15.26	12.79
Southeast (Atlanta/Birmingham)	7	15.02	15.81	12.24	13.03	12.49	12.70	12.78	10.32	15.54	15.67	12.76	15.57	12.79
Upper Florida (Jacksonville/Tallahassee)	6	15.52	16.31	12.24	13.03	12.49	12.70	---	---	16.04	16.17	12.76	16.07	12.79
Tampa Bay	12	15.82	16.61	12.24	13.03	12.49	12.70	---	---	16.34	16.47	12.76	16.37	12.79
Southeastern Florida (Miami)	13	16.12	16.91	12.24	13.03	12.49	12.70	---	---	16.64	16.77	12.76	16.67	12.79
Michigan Upper Peninsula (Marquette)	44	13.29	14.08	12.24	13.03	12.49	12.70	12.78	10.32	13.81	13.94	12.76	13.84	12.79
Southern Michigan (Detroit)	40 6/	13.69	14.48	12.24	13.03	12.49	12.70	12.78	10.32	14.21	14.34	12.76	14.24	12.79
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	13.94	14.73	12.24	13.03	12.49	12.70	12.78	10.32	14.46	14.59	12.76	14.49	12.79
Ohio Valley (Columbus)	33	13.98	14.77	12.24	13.03	12.49	12.70	12.78	10.32	14.50	14.63	12.76	14.53	12.79

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MARCH								APRIL			MAY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1997	1997
		DOLLARS								DOLLARS				
Indiana (Indianapolis)	49	13.84	14.63	12.24	13.03	12.49	12.70	12.78	10.32	14.36	14.49	12.76	14.39	12.79
Chicago Regional	30	13.34	14.13	12.24	13.03	12.49	12.70	12.78	10.32	13.86	13.99	12.76	13.89	12.79
Central Illinois (Peoria)	50	13.55	14.34	12.24	13.03	12.49	12.70	---	---	14.07	14.20	12.76	14.10	12.79
S. Illinois/E. Missouri (Alton)	32	13.86	14.65	12.24	13.03	12.49	12.70	---	---	14.38	14.51	12.76	14.41	12.79
Louisville/Lexington/Evansville	46	14.05	14.84	12.24	13.03	12.49	12.70	12.78	10.32	14.57	14.70	12.76	14.60	12.79
Upper Midwest (Minneapolis)	68	13.14	13.93	12.24	13.03	12.49	12.70	12.78	10.32	13.66	13.79	12.76	13.69	12.79
E. South Dakota (Sioux Falls)	76	13.44	14.23	12.24	13.03	12.49	12.70	---	---	13.96	14.09	12.76	13.99	12.79
Iowa (Des Moines)	79	13.49	14.28	12.24	13.03	12.49	12.70	12.78	10.32	14.01	14.14	12.76	14.04	12.79
Nebraska/W. IA. (Omaha/Sioux City)	65	13.69	14.48	12.24	13.03	12.49	12.70	12.78	10.32	14.21	14.34	12.76	14.24	12.79
Greater Kansas City	64	13.86	14.65	12.24	13.03	12.49	12.70	---	---	14.38	14.51	12.76	14.41	12.79
Southwest Plains (Oklahoma City)	106	14.71	15.50	12.24	13.03	12.49	12.70	12.78	10.32	15.23	15.36	12.76	15.26	12.79
Texas (Dallas)	126	15.10	15.89	12.24	13.03	12.49	12.70	12.78	10.32	15.62	15.75	12.76	15.65	12.79
Eastern Colorado (Denver)	137	14.67	15.46	12.24	13.03	12.49	12.70	---	---	15.19	15.32	12.76	15.22	12.79
Western Colorado (Grand Junction)	134	13.94	14.73	12.24	13.03	12.49	12.70	---	---	14.46	14.59	12.76	14.49	12.79
SW Idaho/Eastern Oregon (Boise)	135	13.44	14.23	12.24	13.03	12.49	12.70	12.58	10.21	13.96	14.09	12.76	13.99	12.79
Great Basin (Salt Lake City)	139	13.84	14.63	12.24	13.03	12.49	12.70	---	---	14.36	14.49	12.76	14.39	12.79
Central Arizona (Phoenix)	131	14.46	15.25	12.24	13.03	12.49	12.70	12.58	10.21	14.98	15.11	12.76	15.01	12.79
New Mexico/West Texas (Albuquerque)	138	14.29	15.08	12.24	13.03	12.49	12.70	12.78	10.32	14.81	14.94	12.76	14.84	12.79
Pacific Northwest (Seattle/Portland)	124	13.84	14.63	12.24	13.03	12.49	12.70	12.58	10.21	14.36	14.49	12.76	14.39	12.79
SIMPLE AVERAGE	---	14.28	15.06	12.24	13.03	12.49	12.70	12.75	10.30	14.80	14.93	12.76	14.83	12.79

\* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in May 1997 is \$15.73 per 100 pounds or \$1.35 per gallon (\$15.73 divided by 11.63 equals \$1.3525).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order resumed effective June 1, 1996. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

[illegible]

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF APRIL 7 - 11, 1997 =	0.0	0.0	COMPARABLE WEEK IN 1996 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1996 =	4.5	4.8	COMPARABLE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - APRIL 11, 1997 =	4.5	4.8	COMPARABLE CALENDAR YEAR 1996 =	0.0	0.0

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/96 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL										
	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT			
REGION	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96
MIDWEST	-0-	-0-	483,600	-0-	-0-	-0-	100.0	0.0		
WEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0		
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0		
TOTAL	-0-	-0-	483,600	-0-	-0-	-0-	100.0	0.0		

MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225

NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045

Regions*		1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL		
		WEEK	SINCE JAN 1	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1		
1997-Dairy cows	HD (000)	0.4	1.5	6.2	5.9	23.8	2.9	3.4	1.5	9.2	3.2	58.1	742.4	47.6	47.0
1996-Dairy cows	HD (000)	0.4	1.2	7.1	6.4	22.2	2.0	4.7	1.6	9.6	3.2	58.4	726.5	44.7	46.5
1997-All cows	HD (000)	0.4	1.6	8.5	16.8	31.9	15.3	20.0	9.5	11.6	6.5	122.1	1,580.7		
1996-All cows	HD (000)	0.4	1.3	9.4	16.6	30.3	22.1	21.7	11.6	10.9	6.4	130.6	1,560.9		

\*For source, states included in each region, and historical data, see "Dairy Market News", Vol. 55, Report No. 31

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 = 41,779,984      CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 = 7,301,998

[illegible]